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BOUNTIFUL LENDER ACCUSED OF FRAUDULENT NOTE SALES

Salt Lake City, Utah . . . The Utah Division of Securities today announced that an Order to Show Cause had been issued to Great Salt Lake Mortgage (GSLM) of Bountiful and Philip Thayne Jessee, its founder.

The Order to Show Cause alleges that Jessee and GSLM raised over \$5 million from investors in several states, including 33 investors in Utah. Jessee claimed to be in the bridge-loan business and told investors their funds would be used to make short-term loans for residential mortgages, to repair homes to be resold at a profit, to fund equipment purchases, and to open a restaurant in Bountiful. Investors were sold promissory notes with interest rates ranging from 5-18%.

While investors were told their money was not at risk because the investments would be secured by real estate, the State alleges that most of the investments were not secured by property. Other fraudulent conduct alleged by the State include: giving forged documents to investors to create the appearance of safety, raising funds from investors without disclosing that Jessee and GSLM had been sued, not disclosing that tax liens had been imposed, and failing to disclose adequate information about the company, its business plans, and its financial condition.

The Order to Show Cause alleges that Jessee and GSLM engaged in securities fraud, sold securities that were not registered, and that Jessee sold securities without being licensed. Jessee and GSLM have thirty days to request a hearing before the Division of Securities contesting the allegations.